



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

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August 18, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**AFFILIATION AGREEMENT FOR PHYSICIANS IN POSTGRADUATE
TRAINING WITH LIFE CARE CENTERS OF AMERICA**
(All Districts) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Director of Health Services, or his designee, to sign the attached Affiliation Agreement for Physicians in Postgraduate Training with Life Care Centers of America, to be effective upon Board approval and remain in force until terminated by either party.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTIONS:

In approving the recommended action, the Board is authorizing the Director of Health Services, or his designee, to sign an Affiliation Agreement for Physicians in Postgraduate Training (PPG) with Life Care Centers of America (LCCA) to allow for the training of Department of Health Services' (DHS or Department) medical residents in the fields of Geriatric and Family Medicine at LCCA's Bel Tooren Villa Convalescent Hospital, a skilled nursing facility located in Bellflower. Access to such training is necessary for the continued accreditation of the Geriatric Internal Medicine Fellowship and Family Medicine Residency Program at King-Drew Medical Center.

FISCAL IMPACT/FINANCING:

There is no monetary payment between the parties.

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FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

For a number of years, County health facilities have affiliated with various non-County health facilities to assist each other's physicians in meeting accreditation requirements in specialty medical training programs. Such affiliations are necessary or desirable when one health facility either does not have appropriate staff, facilities, or resources to complete the training of its own residents in a particular area or specialty and the other health facility does have the necessary resources to provide such training, or when an affiliation between the parties will enhance the ability of either or both parties to train residents in various fields of medicine. The County does not currently possess the necessary facilities and resources to provide the required Geriatric and Family Medicine training which is needed in order to retain the Geriatric Internal Medicine Fellowship and Family Medicine Residency Program at King-Drew Medical Center. The Bel Toren Villa facility does possess one or more of the elements necessary for medical resident training in Geriatrics and Family Medicine.

Because the proposed PPG agreement with LCCA varies from the standard form PPG agreement, approved by the Board in June, 1992, Board approval is required. The modifications to the standard form PPG agreement are as follows: 1) the Training and Supervision provision has been modified to acknowledge that LCCA intends to enter into a sub-contract with Charles R. Drew University of Medicine and Science (Drew) whereby Drew will provide its faculty members to train and supervise the Department's residents at LCCA's Bel Toren Villa facility, 2) the Agreement provides for mutual indemnification whereby the Contractor and the County each agree to indemnify each other for its own negligent acts, and 3) the County has agreed to waive reimbursement from LCCA for the time each County resident spends at LCCA because the training of County residents in Geriatric and Family Medicine at LCCA is of such vital importance.

The Agreement will become effective upon Board of Supervisors' approval and shall continue in effect without further action unless terminated by either party with the provision of ninety days written notice.

The Department has determined that the Agreement does not fall under Proposition A contracting authority and therefore is not subject to the County's Living Wage Program.

Attachment A provides additional information.

County Counsel has approved the Agreement (Exhibit I) as to use and form.

CONTRACTING PROCESS:

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of the recommendation will allow for the provision of the required training of DHS medical residents in the fields of Geriatric and Family Medicine necessary for DHS to retain accreditation in these medical fields.

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When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Thomas L. Garthwaite". The signature is stylized with a large, looped initial "T" and a cursive style.

Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:ps

Attachments (2)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

BLETCD4006.PS

SUMMARY OF AGREEMENT

1. TYPE OF SERVICE:

Training of Department of Health Services' medical residents in the fields of Geriatric and Family Medicine at the Life Care Centers of America's skilled nursing facility, Bel Tooren Villa Convalescent Hospital located in Bellflower.

2. AGENCY ADDRESS AND CONTACT PERSON:

Bel Tooren Villa Convalescent Hospital
16910 Woodruff Avenue
Bellflower, California 90706
Contact Person: Robert Lorenzo, Executive Director

3. TERM:

The Agreement will become effective upon Board approval and will remain in force until terminated by either party.

4. FINANCIAL INFORMATION:

There is no monetary payment between the parties.

5. GEOGRAPHIC AREA TO BE SERVED:

Countywide.

6. ACCOUNTABLE FOR PROGRAM EVALUATION:

Applicable hospital CEO or Administrator.

7. APPROVALS:

Office of Clinical and Medical Affairs: Bruce Chernof, M.D., Director

Contracts and Grants Division: Cara O'Neill, Chief

County Counsel (approval as to form): Elizabeth J. Friedman, Senior Deputy

EXHIBIT I

AFFILIATION AGREEMENT
FOR PHYSICIANS IN POSTGRADUATE TRAINING

ppglifecare.DBC

rdt:8/17/05

06/23/92

HOA.296003.1

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Contract # _____

**AFFILIATION AGREEMENT
FOR PHYSICIANS IN POSTGRADUATE TRAINING**

THIS AGREEMENT is made and entered into this _____ day
of _____, 2005,

by and between COUNTY OF LOS ANGELES
(hereafter "County"),

and LIFE CARE CENTERS OF AMERICA
(hereafter "Contractor").

WHEREAS, pursuant to California Health and Safety Code Section 1441, County has established and operates, through its Department of Health Services (hereafter "DHS"), a network of County hospitals and other health facilities; and

WHEREAS, Contractor owns and operates the hospital or other health facility known as Bel Tooren Villa Convalescent Hospital located at 16910 Woodruff Avenue, Bellflower, California 90706; and

WHEREAS, County operates physician postgraduate training programs, and Contractor may operate physician postgraduate training program(s); and

WHEREAS, Contractor and County have found it to be in the public and in their mutual interest to, from time to time, provide an affiliation for each others' physicians in postgraduate training (hereafter "Resident(s)"), when one party's physician postgraduate training program does not possess

sufficient or appropriate staff, facilities, or resources to properly train its own Residents in a particular area or specialty and when the other party either does have a physician postgraduate training program with sufficient and appropriate staff, facilities, and resources for such training or otherwise has sufficient and appropriate staff, facilities, and resources for such training; and

WHEREAS, it is the purpose of this Agreement to provide for unilateral and/or bilateral exchanges of each party's Residents for purposes of benefitting the physician postgraduate training programs by providing Residents with specialized training at the training party and improving the training party's patient care by receiving valuable medical services from the other party's Residents incident to such specialized training hereunder; and

WHEREAS, as used in this Agreement, the following terms shall have the following meanings:

A. "Sending Party" means the party from which Resident(s) is (are) sent;

B. "Receiving Party" means the party to which Resident(s) is (are) sent; and

WHEREAS, this Agreement is authorized by California Government Code Section 26227 and otherwise.

NOW, THEREFORE, Contractor and County agree as follows:

1. TERM: The term of this Agreement shall commence on the date first herein above written and shall continue in full force and effect through the next following June 30. This Agreement shall thereafter be automatically renewed for successive one year periods without further action by the parties hereto unless the desire of either party to terminate this Agreement is given in writing to the other party on or before May 31 of any County fiscal year (July 1 through June 30) in which this Agreement is in effect. In any event, either party may at any time terminate this Agreement for any reason by giving at least ninety days' written notice to the other party. In the event of any interruption of either party's operations by war, fire, insurrection, labor troubles, riots, the natural elements, acts of God, or, without limiting the foregoing, any other cause beyond either party's control which substantially interferes with such party's ability to fulfill any obligation under this Agreement, such party shall immediately inform the other party and this Agreement may be terminated immediately by either party by giving written notice to the other party. In the event either party loses its accreditation by the Joint Commission on Accreditation of Healthcare Organizations or accreditation of the physician postgraduate training program(s) by the Accreditation Council for Graduate Medical Education, such party shall immediately inform the other party and this Agreement may be

terminated immediately by either party by giving written notice to the other party.

2. UNILATERAL OR BILATERAL EXCHANGE: Depending on the needs of each party and the availability of Residents and positions, there may be unilateral and/or bilateral exchanges of Residents between the parties.

3. ADMINISTRATION: The Director of DHS, or his authorized designee (hereafter collectively "Director"), shall have the authority to administer and monitor this Agreement on behalf of County. Contractor shall designate in writing a person who shall have the authority to administer this Agreement on behalf of Contractor. Director and Contractor may, in writing, agree from time to time among themselves regarding the policies and procedures necessary to implement and otherwise carry out the purposes of this Agreement and shall provide copies of such writings to each other in accordance with Paragraph 38 (Notices). Such policies and procedures shall include, but are not limited to:

A. Procedures to implement Paragraph 4 (Notification of Training Programs).

B. Procedures regarding the parties' performance under Paragraph 13 (Billing and Payment), including, but not limited to, mechanisms for making required payments under such Paragraph 13.

C. Policies regarding Resident training hours.

D. Policies regarding the certification of successful completion of a Resident's training, and the parties' rights and/or obligations as to submitting explanatory statements to the Accreditation Council and Graduate Medical Education, if applicable.

E. Policies regarding the availability of each party's services (e.g., laundry, telephone, etc.) to Residents.

F. Policies regarding the use of each party's property (e.g., stethoscopes, radio relay units, scrub suits, photo identifications, etc.) by Residents and the responsibility of Residents to return and/or account for such property.

4. NOTIFICATION OF TRAINING PROGRAMS: Each party shall periodically notify the other party of its available postgraduate training positions and any prerequisites applicable to Residents who may be sent for training thereunder. Such notification shall include information as to the accreditation status of each such training program with available positions.

5. SELECTION OF RESIDENTS: Sending Party shall select each participating Resident who shall meet all criteria established by Receiving Party. Sending Party's records regarding the education, training, and licensing of any participating Resident shall be furnished to Receiving Party upon request, provided that such Resident authorizes, in writing, such a release of records.

Neither party shall send or receive any Resident without the prior written consent of both Director and Contractor, and such consent may be withheld by either Director or Contractor for any lawful reason, including such Resident's failure to authorize the release of Sending Party's records.

6. RESIDENT HEALTH EXAMINATIONS: Sending Party shall certify in writing that each Resident selected for participation is in good health, as evidenced by a complete health examination, including, but not limited to, immunization against communicable diseases, which is satisfactory to Receiving Party, and which is provided by Sending Party at no cost to Receiving Party.

Sending Party shall certify in the same manner the satisfactory health status of any Resident after any absence of such Resident from participation in the training program at Receiving Party's facility caused by injury or illness before such Resident recommences participation in such training program.

7. TRAINING AND SUPERVISION: Receiving Party shall provide training and supervision of Sending Party's Residents at Receiving Party's hospital or other health facility. The parties hereby acknowledge that the Receiving Party intends to arrange for the provision of such training and supervision by entering into an agreement with the Charles R. Drew University of Medicine and Science (University), pursuant to which University shall agree to provide its faculty members to train and supervise

Sending Party's Residents. Such Residents shall perform physician services incident thereto for the benefit of Receiving Party's patients.

8. EMERGENCY HEALTH CARE SERVICES FOR RESIDENTS: To the extent available, Receiving Party shall provide emergency health services as required to Sending Party's Residents when such Residents are injured or become ill while on the premises of Receiving Party's facility pursuant to this Agreement but shall not be responsible for the provision of such services for any injury or illness not occurring during such time. To the extent that Sending Party or such Residents have medical insurance, workers' compensation, or other coverage which will pay Receiving Party for such services. Receiving Party shall be entitled to bill and collect payment for all services rendered pursuant to this Paragraph 8.

9. RESTRICTION, TERMINATION, AND CERTIFICATION OF RESIDENT TRAINING:

A. Restriction: Receiving Party may impose restrictions (e.g., suspension from training program, requirement of supervision, limitation of clinical activities, etc.) on the training of any of Sending Party's Residents by giving written notice of the nature and duration of such restriction to Sending Party. Receiving Party shall send written reasons for such training restriction to Sending Party within ten

days after the date any such restriction is imposed. The requirement of written notice and written reasons described in this Subparagraph A shall not limit the right of Receiving Party to impose immediate restrictions upon the clinical activities of such Residents when required in the interests of patient care.

B. Termination: Receiving Party may terminate the training of any of Sending Party's Residents by giving written notice of such termination to Sending Party. Receiving Party shall send written reason for such termination to Sending Party within thirty days after the date of termination.

C. Certification of Training Completion: Receiving Party shall have the right to refuse to certify that a Resident of Sending Party has successfully completed Receiving Party's training program. All certifications of successful completion of training programs and all refusals of such certifications shall be done in accordance with any policies and procedures regarding certification agreed upon pursuant to Paragraph 3 (Administration).

D. Procedures for Resident Disputes: Resolution of any dispute by any of Sending Party's Residents against Sending Party or Receiving Party as a result of any action taken by Sending Party or Receiving Party under

Subparagraphs A, B, or C above or otherwise, shall be the sole responsibility of Sending Party and shall be in accordance with the policies and procedures, if any, established by Sending Party. Upon written request of Sending Party, Receiving Party shall cooperate and assist in such resolution by providing non-confidential records or information pertinent to such dispute and otherwise as appropriate and necessary.

10. LICENSES, PERMITS, REGISTRATIONS, AND CERTIFICATES :

Prior to sending any Resident to Receiving Party, Sending Party shall determine that such Resident obtains all appropriate and necessary licenses, permits, registrations, and certificates provided for under Federal, State, and local law. Sending Party shall also ensure that each such Resident maintains all such licenses, permits, registrations, and certificates in effect during such Resident's affiliation at Receiving Party's facility.

11. NONDISCRIMINATION IN SERVICES AND EMPLOYMENT :

Contractor shall not discriminate in the provision of services hereunder because of race, religion, national origin, ancestry, sex, age, or physical or mental handicap, marital status or political affiliation, in accordance with all applicable requirements of Federal and State law. Contractor's employment practices and policies shall also meet all applicable Federal and State nondiscrimination requirements. This Agreement is exempt

from the provisions of Chapter 4.32 of the Los Angeles County Code, pursuant to Section 4.32.040(D) thereof.

12. RESIDENT COMPENSATION: Each Resident, during his or her affiliation at Receiving Party's facility, shall receive his or her regular compensation (including all salary and other compensation and fringe benefits, except as otherwise expressly provided by other provisions of this Agreement) from Sending Party.

13. BILLING AND PAYMENT: Notwithstanding any other provision of this Agreement, Sending Party shall not bill Receiving Party and Receiving Party shall not pay Sending Party, for any time spent by any of Sending Party's Residents at Receiving Party's health facility during any such Resident's exchange for training under this Agreement.

14. INDEPENDENT CONTRACTOR STATUS: This Agreement is by and between the County of Los Angeles and Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between County and Contractor. Sending Party understands and agrees that all persons furnishing services to Receiving Party pursuant to this Agreement are, for purposes of worker's compensation liability, employees solely of Sending Party and not of Receiving Party. Sending Party Shall bear the sole responsibility and liability for furnishing workers'

compensation benefits to its employees for injuries arising from or connected with this Agreement.

15. WORKERS' COMPENSATION: Contractor and County shall maintain a policy of workers' compensation insurance, in an amount and form to meet all applicable requirements of the California Labor Code or be self-insured with respect to such workers' compensation liability, in accordance with the law.

16. INDEMNIFICATION AND INSURANCE:

A. Receiving Party shall indemnify, defend, and hold harmless Sending Party, its officers, employees, agents, and Residents, from and against any and all liability, expense, including defense costs and legal fees, and claims for damages of any nature whatsoever, including, but not limited to, bodily injury, death, personal injury or property damage, arising from negligent acts, errors or omissions of Receiving Party, its officers, employees, agents and Residents, pursuant to the performance of this Agreement. To the extent that Receiving Party is obligated to provide indemnification hereunder, Receiving Party shall provide all claims administration (e.g., claims investigation) and legal defense on behalf of Sending Party.

Sending Party shall indemnify, defend, and hold harmless Receiving Party, its officers, employees, agents, and Residents, from and against any and all liability, expense,

including defense costs and legal fees, and claims for damages of any nature whatsoever, including, but not limited to, bodily injury, death, personal injury or property damage, arising from negligent acts, errors or omissions of Sending Party, its officers, employees, agents and Residents, pursuant to the performance of this Agreement. To the extent that Sending Party is obligated to provide indemnification hereunder, Sending Party shall provide all claims administration (e.g., claims investigation) and legal defense on behalf of Receiving Party.)

B. General Insurance Requirements: Without limiting Contractor's indemnification of County or County's indemnification of Contractor, and during the term of this Agreement, both Contractor and County shall provide and maintain, and shall require all of its contractors to maintain, the programs of insurance specified in this Agreement. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by Contractor or County, and such coverage shall be provided and maintained, by each respectively, at Contractor's and County's own expense. Each party recognizes and acknowledges that County will meet all insurance obligations through a program of self insurance.

(1) Evidence of Insurance: Certificate(s) or other evidence of coverage satisfactory to County shall be delivered to Department of Health Services, Contracts and Grants Division, 313 North Figueroa Street, 6th Floor-East, Los Angeles, California, 90012, Attention Division Chief, prior to commencing services under this Agreement.

(2) Failure to Maintain Coverage: Failure by Contractor or County to maintain the required insurance, or to provide evidence of insurance coverage acceptable to the other party, shall constitute a material breach of contract upon which either party may immediately terminate or suspend this Agreement. Contractor or County, at its sole option, may obtain damages from the other party resulting from said breach.

(3) Notification of Incidents, Claims, or Suits: Contractor and County shall report to each other:

(a) Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against Contractor and/or County. Such report shall be made in writing within twenty-four (24) hours of occurrence.

(b) Any third party claim or lawsuit filed against Contractor arising from or related to services performed by Contractor under this Agreement.

(c) Any injury to a Contractor employee which occurs on County property. This report shall be submitted on a County "Non-Employee Injury Report" to County contract manager.

(d) Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of County property, monies, or securities entrusted to Contractor under the terms of this Agreement.

(4) Insurance Coverage Requirements:

(a) General Liability Insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate:	\$2 Million
Products/Completed	
Operations Aggregate:	\$1 Million
Personal and Advertising Injury:	\$1 Million
Each Occurrence:	\$1 Million

(b) Professional Liability: Insurance covering liability arising from any error, omission, negligent or wrongful act of either County or Contractor, and

their respective officers, agents or employees with limits of not less than \$1 million per occurrence and \$3 million aggregate. The coverage also shall provide an extended two-year reporting period commencing upon termination or cancellation of this Agreement.

17. EMPLOYER OBLIGATIONS: Receiving Party shall not be, or be construed to be, the employer of Sending Party's Residents for any purpose whatsoever. Except as may be otherwise provided in Paragraph 13 (Billing and Payment), Sending Party shall be solely liable and responsible for all employer obligations, if any, with respect to such Residents. Such obligations shall include, but are not limited to: payment of salary and all other compensation and fringe benefits; responsibility for Federal and State withholding taxes and Social Security taxes; compliance with and responsibility for all applicable Federal and State wage/hour obligations; unemployment benefits; disability benefits; and all other applicable taxes, benefits, and contributions to employment-related insurance and similar programs. In the event that Receiving Party is for any reason required to pay any such obligations, Sending Party shall reimburse Receiving Party for any and all amounts paid by Receiving Party to meet such obligations.

18. STATUS OF RESIDENTS: Notwithstanding any other provision of this Agreement, the parties agree that each Resident shall at all times remain the Resident of Sending Party. In this connection, and except as otherwise provided in Paragraph 9 (Restriction, Termination, and Certification of Resident Training), Subparagraph D (Procedures for Resident Disputes), Sending Party's Residents shall at all times be subject to Sending Party's administrative rules, regulations, and benefits, including disciplinary actions, vacation, sick leave, health insurance, and all other rights applicable to Sending Party's employees. Each Resident shall, however, be expected to comply with all rules, regulations, and standards of Receiving Party's facility unless specifically in conflict, as mutually agreed by County and Contractor, with those to which he is subject under his contract or agreement of employment with Sending Party. The parties shall cooperate to acquaint Residents with the rules and regulations of Receiving Party's facility.

19. RECORDS: All records of each party in any way concerning the performance of this Agreement shall be available during normal business hours for inspections and audit by the other party and shall be maintained at a location in Southern California. Such records shall include, but are not limited to:

A. Daily account of the number of person-hours spent by each of Sending Party's Residents at Receiving Party's facility (e.g., Resident timecards).

B. Resident's signature and Resident's supervisor's signature on each Resident timecard or other documentation evidencing Resident's time spent at Receiving Party.

C. Monthly summaries of:

(1) The name of each Resident involved in each exchange during the particular calendar month.

(2) The postgraduate year of training of each such Resident during the exchange.

(3) The total number of person-hours each such Resident spent at Receiving Party's facility during the exchange.

D. Documentation to support each Resident's salary and all other compensation and fringe benefits which were in effect during each calendar month of each exchange.

20. AUDIT REPORTS: In the event that an audit is conducted of Contractor by a Federal or State auditor, or by any auditor or accountant employed by Contractor or otherwise, and such audit results in a final report which contains information or conclusions relating to Contractor's performance of this Agreement, Contractor shall file a copy of any such audit report, or such portion thereof which is adequate to fully disclose such

information or conclusions, with County's Depart of Auditor-Controller within thirty days after receipt thereof. County shall make a reasonable effort to maintain the confidentiality of any such audit report. Failure of Contractor to comply with the provisions of this Paragraph 20 shall constitute a material breach of this Agreement upon which County may terminate or suspend this Agreement

21. COUNTY AUDIT SETTLEMENTS: If, at any time during the term of this Agreement or at any time after the expiration or prior termination of this Agreement, representatives of County conduct and audit of Contractor regarding this Agreement and if such audit finds that County's dollar liability hereunder is less than payments made by County to Contractor, then the difference shall be either repaid by Contractor to County by cash payment upon demand or, at Director's option, deducted from any amounts due to Contractor from County. If such audit finds that County's dollar liability hereunder is more than payments made by County to Contractor, then the difference shall be paid to Contractor by County by cash payment.

22. UNLAWFUL SOLICITATION: Contractor shall inform all of its employees of the provisions of Article 9 of Chapter 4 of Division 3 (commencing with Section 6150) of the California Business and Professions Code (i.e., State Bar Act provisions regarding unlawful solicitation as a runner or capper for

attorneys) and shall take positive and affirmative steps in its performance hereunder to ensure that there is no violation of such provisions by its employees. Contractor agrees to utilize the attorney referral services of all those bar associations within the County of Los Angeles that have such a service.

23. INFORMATION FOR THIRD-PARTY PAYERS:

A. Reports: Each party shall provide assistance to the other party with respect to the provision of financial and other information as may be required by the other party in preparation of cost and other financial reports required by the California Office of Statewide Health Planning and Development, the California Department of Health Services, the Medicare and Medi-Cal intermediaries, and other carriers or other third-party payers requesting such information. The party requesting such assistance shall reimburse the other party for the cost of such assistance as reasonably determined or approved by County.

B. Federal Access to Records: If, and to the extent that, Section 1861(v)(1)(I) of the Social Security Act)42 United States Code Section 1395x(v)(1)(I) is applicable, the parties agree that for a period of five years following the furnishing of services under this Agreement, each party shall maintain and make available, upon written request, to the Secretary of the United States Department of Health and

Human Services, to the Comptroller General of the United States, or to any of their duly authorized representatives, the contracts, books, documents and records of the party which are necessary to verify the nature and extent of the cost of services provided hereunder. Further, if either party carries out any of the services provided hereunder through any subcontract with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve-month period with a related organization (as that term is defined under Federal law), such party agrees that each such subcontract shall provide for such access to the subcontract, books, documents and records of the subcontractor.

C. Rights of the Parties: This Paragraph 23 pertains solely to the maintenance and disclosure of specified records and shall have no effect on the right of the parties to make assignments.

24. REIMBURSEMENT PROGRAM CHANGES: Either party may terminate this Agreement upon sixty days written notice to the other party if compliance with the provisions of this Agreement has any significant adverse effect, as determined in the sole discretion of the party providing such notice, on the reimbursement available to such party from any reimbursement program, whether public or private, results from any changes which may occur in the Medi-Cal program, the Medicare program,

and/or other public or private health and/or hospital care insurance programs or policies in which a significant number of patients receiving medical services incident to this Agreement are enrolled and which affect coverage, payment, or other aspects of such programs or policies. The party providing such notice shall indicate such change and the basis upon which it has determined that such a significant adverse effect will result. In any case where such notice is provided, both parties shall negotiate in good faith during such sixty-day period in an effort to develop a revised Agreement, which, to the extent reasonably practicable under the circumstances, will adequately protect the interests of both parties in light of the governmental or other program or policy changes which constituted the basis for the exercise of the termination provision of this Paragraph 24.

25. CONFIDENTIALITY: Each party shall maintain the confidentiality of all records, including, but not limited to, patient records, in accordance with all applicable Federal, State and local laws, ordinances, regulations, rules, and directives, relating to confidentiality. Contractor shall inform all of its Residents who may participate in any exchange hereunder of the confidentiality provisions of this Agreement.

26. RESIDENT AGREEMENTS: Sending Party may require its Residents to execute the agreement attached hereto as Exhibit A,

or any similar agreement, as a condition for participation in any exchange hereunder.

27. QUALITY OF CARE REVIEW: The parties agree to cooperate to the extent reasonably necessary and practicable in coordinating quality of care review activities relating to any service provided by any Resident exchanged hereunder.

28. THIRD PARTIES: The parties understand and agree that this Agreement establishes an affiliation between the parties hereto only for the purpose of benefitting the parties' training programs by providing Residents with specialized training and improving the parties' patient care by receiving valuable physician services from Residents incident to such specialized training hereunder and that this Agreement is not intended, and shall not be construed, as providing any rights to, or expanding any rights of, any third party, including, but not limited to, any Resident.

29. COUNTY'S OBLIGATION FOR FUTURE FISCAL YEARS:
Notwithstanding any other provision of this Agreement, County shall not be obligated for Contractor's performance hereunder or by any provision of this Agreement during any of County's future fiscal years unless and until County's Board of Supervisors appropriates funds for this Agreement in County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall

terminate as of June 30 of the last County fiscal year for which funds were appropriated. County shall notify Contractor in writing of such non-allocation of funds at the earliest possible date.

30. COMPLIANCE WITH APPLICABLE LAW:

A. Each party shall comply with all Federal, State, and local laws, ordinances, regulations, rules, and directives applicable to its performance hereunder. Further, all provisions required thereby to be included in this Agreement are hereby incorporated herein by reference.

B. Each party shall indemnify and hold harmless the other party from and against any and all loss, damage, liability or expense resulting from any violation on the part of the indemnifying party, its officers, employees, or agents, of such Federal, State or local laws, ordinances, regulations, rules, or directives.

31. GOVERNING LAW, JURISDICTION AND VENUE: This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles, California.

32. AUTHORIZATION WARRANTY: Contractor hereby represents and warrants that the person executing this Agreement for Contractor is an authorized agent who has actual authority to bind Contractor to each and every term, condition, and obligation set forth in this Agreement and that all requirements of Contractor have been fulfilled to provide such actual authority.

33. DELEGATION AND ASSIGNMENT: Neither party shall delegate its duties or assign its rights hereunder, or both, either in whole or in part, without the prior written consent of the other party, and any prohibited delegation or assignment shall be null and void. Such consent shall not be unreasonably withheld.

34. ALTERATION OF TERMS: The body of this Agreement and Exhibit A, attached hereto and incorporated herein by reference, fully express all understandings of the parties concerning all matters covered and shall constitute the total Agreement. No addition to, or alteration of, the terms of this Agreement, whether by written or verbal understanding of the parties, their officers, employees, or agents, shall be valid and effective unless made in the form of a written amendment which is formally adopted and executed by the parties in the same manner as this Agreement.

35. FAIR LABOR STANDARDS ACT: Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act, and shall indemnify, defend, and hold harmless County, its

agents, officers and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated, damages, penalties, court costs, and attorneys' fees arising under any wage and hour law including, but not limited to, the Federal Fair Labor Standards Act for services performed by Contractor's employees for which County may be found jointly or solely liable.

36. EMPLOYMENT ELIGIBILITY VERIFICATION: Contractor warrants that it fully complies with all statutes and regulations regarding the employment of aliens and others, and that all persons performing services under this Agreement are eligible for employment in the United States. Contractor represents that it has secured and retained all required documentation verifying employment eligibility of its personnel. Contractor shall secure and retain verification of employment eligibility from any new personnel in accordance with applicable law. Contractor shall indemnify, defend, and hold County harmless from any employer sanctions or other liability which may be assessed against Contractor or County by reason of Contractor's failure to comply with the foregoing.

37. Health Insurance Portability and Accountability Act of 1996: The parties acknowledge the existence of the Health Insurance Portability and Accountability Act of 1996 and its

implementing regulations ("HIPAA"). Contractor understands and agrees that, as a provider of medical treatment services, it is a "covered entity" under HIPAA and, as such, has obligations with respect to the confidentiality, privacy and security of patients' medical information, and must take certain steps to preserve the confidentiality of this information, both internally and externally, including the training of its staff and the establishment of proper procedures for the release of such information, and the use of appropriate consents and authorizations specified under HIPAA.

The parties acknowledge their separate and independent obligations with respect to HIPAA, and that such obligations relate to transactions and code sets, privacy, and security. Contractor understands and agrees that it is separately and independently responsible for compliance with HIPAA in all these areas and that County has not undertaken any responsibility for compliance on Contractor's behalf. Contractor has not relied, and will not in any way rely, on County for legal advice or other representations with respect to Contractor's obligations under HIPAA, but will independently seek its own counsel and take the necessary measures to comply with the law and its implementing regulations.

CONTRACTOR AND COUNTY UNDERSTAND AND AGREE THAT EACH IS INDEPENDENTLY RESPONSIBLE FOR HIPAA COMPLIANCE AND AGREE TO TAKE

ALL NECESSARY AND REASONABLE ACTIONS TO COMPLY WITH THE REQUIREMENTS OF THE HIPAA LAW AND IMPLEMENTING REGULATIONS RELATED TO TRANSACTIONS AND CODE SET, PRIVACY, AND SECURITY. EACH PARTY FURTHER AGREES TO INDEMNIFY AND HOLD HARMLESS THE OTHER PARTY (INCLUDING THEIR OFFICERS, EMPLOYEES, AND AGENTS), FOR ITS FAILURE TO COMPLY WITH HIPAA.

38. NOTICES: Notices hereunder shall be in writing and shall be personally delivered or mailed by certified or registered mail, postage prepaid, return receipt requested, to the parties at the following addresses and to the attention of the persons named. Director shall have the authority to issue all notices which are required or permitted by County hereunder. Addresses and persons to be notified may be changed by either party by giving ten days prior written notice thereof to the other party.

To Contractor:

- (1) Bel Toren Villa Convalescent Hospital
16910 Woodruff Avenue
Bellflower, California 90706

Attention: Robert Lorenzo, Executive Director

To County:

- (1) Department of Health Services
Office of Clinical and Medical Affairs
313 North Figueroa Street
Los Angeles, California 90012

Attention: Bruce Chernof, M.D., Director

(2) Department of Health Services
Contracts and Grants Division
313 North Figueroa Street
Los Angeles, California 90012

Attention: Division Chief

IN WITNESS WHEREOF, the Board of Supervisors of the County
of Los Angeles has caused this Agreement to be subscribed by the

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County's Director of Health Services and Contractor has caused this Agreement to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Thomas L. Garthwaite, M.D.
Director and Chief Medical
Officer of Health Services

LIFE CARE CENTERS OF AMERICA
Contractor

By _____
~~Stephen Ramsdell~~
Mark Revege
Title Regional VP
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM
BY THE OFFICE OF THE
COUNTY COUNSEL
RAYMOND G. FORTNER JR.
County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Cara O'Neill, Chief
Contracts and Grants

ppglifecare.DBC
03/08/04

EXHIBIT A

AGREEMENT REGARDING PARTICIPATION IN AFFILIATED TRAINING PROGRAM

In consideration of my eligibility to participate in affiliated physician postgraduate training programs established by [Sending] _____ Hospital and other area health facilities with residency training, I, _____, hereby agree and consent to the following:

I acknowledge and agree that I will adhere to all policies, procedures, rules and regulations of any health facility in which I may receive training during my participation in such a training program. I agree to be bound by the procedures, if any, established by [Sending] _____

_____ Hospital to resolve any disputes, including disciplinary actions, between myself and [Sending] _____

Hospital or any other health facility in which I may receive training pursuant to such a training program.

I acknowledge and agree that any health facility in which I may receive training pursuant to such a training program shall have the right to restrict or terminate my participation in such training program and/or to refuse to certify that I have successfully completed such training program. I understand that

any such restriction, termination or refusal to certify shall be based upon my actions and performance during such a training program and shall be taken in accordance with any and all relevant policies and procedures of such training program.

I authorize [Sending] _____
_____ Hospital and any other health facility in which I may receive training pursuant to such a training program to consult at any time with the administration and members of the faculty of any health facility or other medical educational institution with which I have been associated who may have information bearing on my professional competence, character, physical and mental health status, ethics, and other qualifications, as may reasonably be related to eligibility to perform services in such training health facilities, as may reasonably be related to my eligibility to perform services in such training health facilities. I hereby further consent to the release by the administration of [Sending] _____
_____ Hospital to such other health facilities of such records and documents relating to my education and training at [Sending] _____
_____ Hospital as may be material to an evaluation of my professional qualifications and competence for satisfactory participation in any such health facilities' medical educational programs pursuant to such a training program.

I hereby release from liability [Sending] _____
_____ Hospital and other health facilities in which I may receive training hereunder, including their respective Professional Staffs and other representatives, for their acts performed in good faith and without malice as an incident to any communication, action, proceeding, or review undertaken pursuant to this Agreement or otherwise related to my participation in such a training program. I further expressly agree that the above releases shall apply to any act, communication, report, recommendation, or disclosure; and with respect to the named parties in whose favor such releases are given, are intended to and shall include all their officer, employees, and agents; and that, in addition to the above specific releases, such parties shall be entitled, to the fullest extent permitted by law, to absolute immunity from liability arising from any such act, communication, report, recommendation, or other disclosure. In furtherance of the foregoing, I agree that, upon request of [Sending] _____
_____ Hospital or any other health facility to which I may be assigned under such a training program, I will execute releases in accordance with the tenor and import of this Agreement in favor of any individual or organization specified herein.

I UNDERSTAND THAT MY EXECUTION OF THIS AGREEMENT INDICATES THAT I
HAVE READ, UNDERSTOOD, AND AGREED TO BE BOUND BY THE FOREGOING
AND BY ANY AND ALL PROVISIONS OF CALIFORNIA LAW APPLICABLE TO THE
SUBJECT MATTER ADDRESSED HEREIN.

DATE: _____

NAME: _____

dbc:03/04/04
ppglifecare DBC